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Planning Commission Study Session

TO: PLANNING COMMISSION

FROM: ASHLEE MACDONALD, AICP, SENIOR PLANNER *Am*
(480) 503-6748, ASHLEE.MACDONALD@GILBERTAZ.GOV

THROUGH: AMY TEMES, INTERIM PRINCIPAL PLANNER *AT*
(480) 503-6729, AMY.TEMES@GILBERTAZ.GOV

MEETING DATE: SEPTEMBER 5, 2018

SUBJECT: A. GP18-08: GABRIELLA POINTE COMMERCE CENTER - REQUEST FOR MAJOR GENERAL PLAN AMENDMENT TO CHANGE THE LAND USE CLASSIFICATION OF APPROX. 152.9 ACRES GENERALLY LOCATED AT THE SOUTHEAST CORNER OF HIGLEY AND WARNER ROADS FROM 39.6 ACRES OF REGIONAL COMMERCIAL (RC) AND 113.3 ACRES OF BUSINESS PARK (BP) TO 56.4 ACRES OF REGIONAL COMMERCIAL (RC), 57.5 ACRES OF BUSINESS PARK (BP), 19.5 ACRES OF RESIDENTIAL > 8-14 DU/ACRE, AND 19.5 ACRES OF RESIDENTIAL > 14-25 DU/ACRE.

B. Z18-18: GABRIELLA POINTE COMMERCE CENTER - REQUEST TO REZONE APPROX. 152.9 ACRES GENERALLY LOCATED AT THE SOUTHEAST CORNER OF HIGLEY AND WARNER ROADS FROM 73.9 ACRES OF MARICOPA COUNTY RURAL - 43 (RU-43), 24.9 ACRES OF MULTI-FAMILY/LOW (MF/L), 14.2 ACRES OF MULTI-FAMILY/MEDIUM (MF/M) AND 39.9 ACRES OF LIGHT INDUSTRIAL (LI) TO 56.4 ACRES OF REGIONAL COMMERCIAL (RC), 19.5 ACRES OF MULTI-FAMILY/LOW (MF/L), 19.5 ACRES OF MULTI-FAMILY/MEDIUM (MF/M) AND 57.5 ACRES OF BUSINESS PARK (BP).

STRATEGIC INITIATIVE: Community Livability

Approval of this major General Plan amendment will allow the landowner to develop reconfigure the amount and location of residential and non-residential development on the site.

RECOMMENDED MOTION

No motion requested

APPLICANT/OWNER

Company: Iplan Consulting

Name: Greg Davis

Address: 3317 S. Higley Rd. #114-622
Gilbert, AZ 85297

Phone: 480.227.9850

Email: greg@iplanconsulting.com

Company: Michelon Family AZ Land LLC

Address: 3540 Haweswood Ct
Crete, IL 60417

Phone: 480.854.1500

Email: john@westernhorizonsinc.com

BACKGROUND/DISCUSSION

History

Date	Description
<i>May 11, 1999</i>	Town Council approved A99-04 (Ord No. 1170) annexing a portion of the subject site into the Town of Gilbert
<i>July 20, 1999</i>	Town Council approved Z99-21 (Ord No. 1188) rezoning a portion of the subject site from Maricopa County Rural - 43 to Garden Industry (I-1) with a PAD
<i>June 24, 2003</i>	Town Council approved GP02-10 (Res. No. 2428) amending the land use classification on a portion of the subject site from Golf Course/Cemetery to Residential > 8-14 DU/Acre and Residential > 14-25 DU/Acre
<i>July 22, 2003</i>	Town Council approved Z03-05 (Ord. No 1502) rezoning a portion of the subject site from Garden Industry (I-1) to Single Family Cluster Home (R-CH) and Multi Family Residence (R-4) with a PAD

Overview

The subject site is 152.9 gross acres located at the southeast corner of Higley and Warner Roads. The property is bounded on the south by State Route 202 (Santan Freeway). The applicant is requesting a major General Plan amendment on 152.9 total acres from 39.6 acres of Regional Commercial (RC) and 113.3 acres of Business Park (BP) to 56.4 acres of Regional Commercial (RC), 57.5 acres of Business Park (BP), 19.5 acres of Residential > 8-14 DU/Acre, and 19.5 acres of Residential > 14.-25 DU/Acre. In conjunction with this request the applicant has also submitted a rezoning application consistent with the requested major General Plan amendment request. The rezone application includes a change from 73.9 acres of Maricopa County Rural -

43 (RU-43), 24.9 acres of Multi-Family/Low (MF/L), 14.2 acres of Multi-Family/Medium (MF/M) and 39.9 acres of Light Industrial (LI) to 56.4 acres of Regional Commercial (RC), 19.5 acres of Multi-Family/Low (MF/L), 19.5 acres of Multi-Family/Medium (MF/M) and 57.5 acres of Business Park (BP). Finally, a concurrent annexation is being processed with these applications to bring the westernmost 69.4 acres into the Town of Gilbert.

Surrounding Land Use & Zoning Designations:

	Existing Land Use Classification	Existing Zoning	Existing Use
North	Shopping Center (SC), Residential > 8-14 DU/Acre, Residential > 2-3.5 DU/Acre,	Shopping Center (SC), Multi Family/Low (MF/L), Single Family – 6 (SF-6) all with a PAD	Warner Road and then Vacant (Morrison Ranch)
South	Utility/Transportation (U/TR)	Public Facilities/Institutional (PF/I). Single Family Detached (SF-D) with a PAD	Loop 202 Santan Freeway then Residential (Higley Park)
East	Public Facilities/Institutional (PF/I) and Residential > 5-8 DU/Acre	Public Facilities/Institutional (PF/I), Single Family - D (SF-D), Single Family - A (SF-A) all with a PAD	Fire Station No. 6 and Residential (Cooley Station North)
West	Shopping Center (SC), General Commercial (GC), Residential 5-8 DU/Acre, Business Park (BP)	Shopping Center (SC), General Commercial (GC), Single Family Detached (SF-D); Business Park (BP)	Higley Road, then Residential (San Savino Subdivision), Shopping Center (San Savino Village) and Charter School (American Leadership Academy)
Site	Business Park (BP) and Regional Commercial (RC)	Maricopa County Rural – 43 (RU-43), Light Industrial (LI), Multi Family/Medium (MF/M), Multi Family/Low (MF/L)	Vacant

General Plan

The existing General Plan Designation is Regional Commercial and Business Park. The applicant has proposed a major General Plan amendment to Regional Commercial (RC), Business Park (BP), Residential > 8-14 DU/Acre, and Residential > 14-25 DU/Acre in order to develop the Gabriella Pointe Commerce Center. The requested General Plan amendment is a total of 152.9 acres and as a result qualifies as a major General Plan amendment. The applicant

has indicated the preliminary land use planning concept for Gabriella Pointe Commerce Center focuses on: a) recognition of existing land entitlements; b) transitional and compatible land uses; c) mix of complementary uses; and d) implementation of the Vertical Development, Santan Freeway and Phoenix-Mesa Gateway Airport Overlay Zoning Districts.

Existing land use entitlements for the overall 152.9-acre property includes approximately 79-acres that is currently zoned as Multi-Family/Low (MF/L)(24.9 acres), Multi-Family/Low (MF/M) (14.2-acres) and Light Industrial (LI)(39.9); however, the long range plan for these parcels envisions BP as depicted on the current General Plan Land Use Map. The applicant believes that neither the LI land use classification nor corresponding LI zoning designation are appropriate for the land area contiguous to Cooley Station North due to the potential for incompatible uses associated with LI properties that could negatively affect this adjacent area and that Business Park is a more appropriate employment land use and more compatible with adjacent residential properties due to the uses permitted and development standards in the corresponding BP zoning designation.

Further, the applicant has proposed the reintroduction of the Residential > 8-14 DU/Acre and Residential > 14-25 DU/Acre land use classifications to support and acknowledge the existing MF/L and MF/M land use entitlements for multi-family use.

Rezoning

The applicant is requesting a rezone from 73.9 acres of Maricopa County Rural - 43 (RU-43), 24.9 acres of Multi-Family/Low (MF/L), 14.2 acres of Multi-Family/Medium (MF/M) and 39.9 acres of Light Industrial (LI) to 56.4 acres of Regional Commercial (RC), 19.5 acres of Multi-Family/Low (MF/L), 19.5 acres of Multi-Family/Medium (MF/M) and 57.5 acres of Business Park (BP). While Planned Area Development (PAD) overlay zoning is generally typical for a project of this magnitude and diversity, conventional zoning is requested at this time to bring the approximate 152.9 gross acre property into conformance with the corresponding major General Plan amendment request. The applicant will be required to submit for Design Review approval prior to any on-site construction.

Project Data Table

Site Development Regulations	Req. per LDC MF/L	Req. per LDC MF/M	Req. per LDC RC	Req. per LDC BP
Maximum Height (ft.)/Stories	36	40	55	35/2 stories
Minimum Building Setbacks (ft.)				
Front	25	30	25	25
Side				
Residential	25	30	75	25
Nonresidential	20	20	20	15/0
Street	25	30	20	20
Rear				
Residential	25	30	75	25

Nonresidential	20	20	20	15/0
Perimeter Landscape area (ft.)				
Front	20	20	25	25
Side				
Residential	20	20	40	20
Nonresidential	20	20	20	15/5
Street	20	20	20	20
Rear				
Residential	20	20	40	20
Nonresidential	20	20	20	15/5

PUBLIC NOTIFICATION AND INPUT

Neighborhood meetings was held on November 27, 2017 and on April 25, 2018 at 6:00PM. Approximately 7 residents attended the meetings. The residents expressed concerns with increased traffic and allowable density within the Multi Family zoned areas. Developer responded that the streets in the area are not yet fully developed and discussed the existing entitlements on the land that would permit multi family development today.

PROPOSITION 207

An agreement to “Waive Claims for Diminution in Value” pursuant to A.R.S. § 12-1134 was signed by the landowners of the subject site, in conformance with Section 5.201 of the Town of Gilbert Land Development Code. This waiver is located in the case file.

STAFF RECOMMENDATION

- A. Staff requests Planning Commission input; and
- B. Staff requests Planning Commission input.

Respectfully submitted,

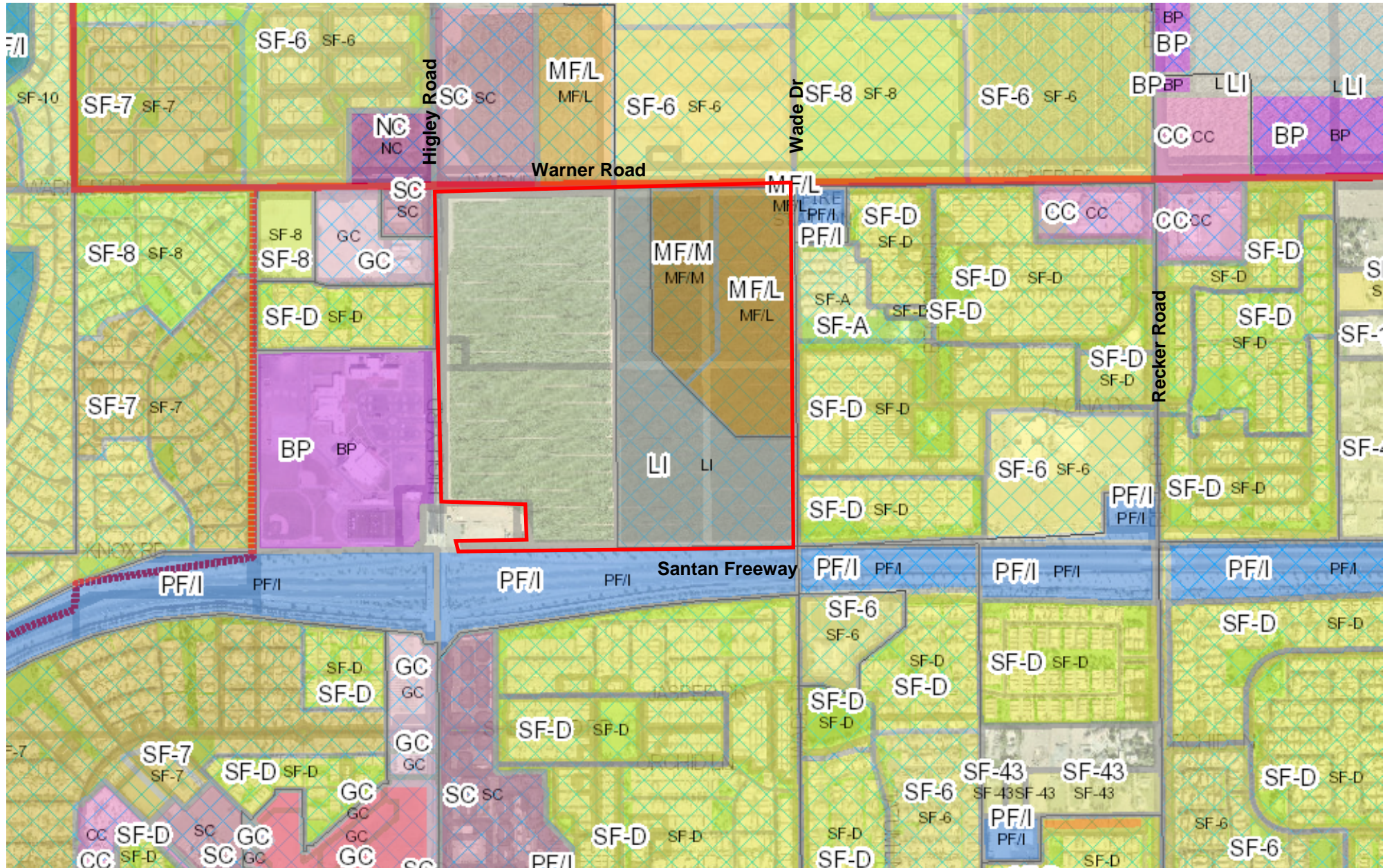


Ashlee MacDonald, AICP
Senior Planner

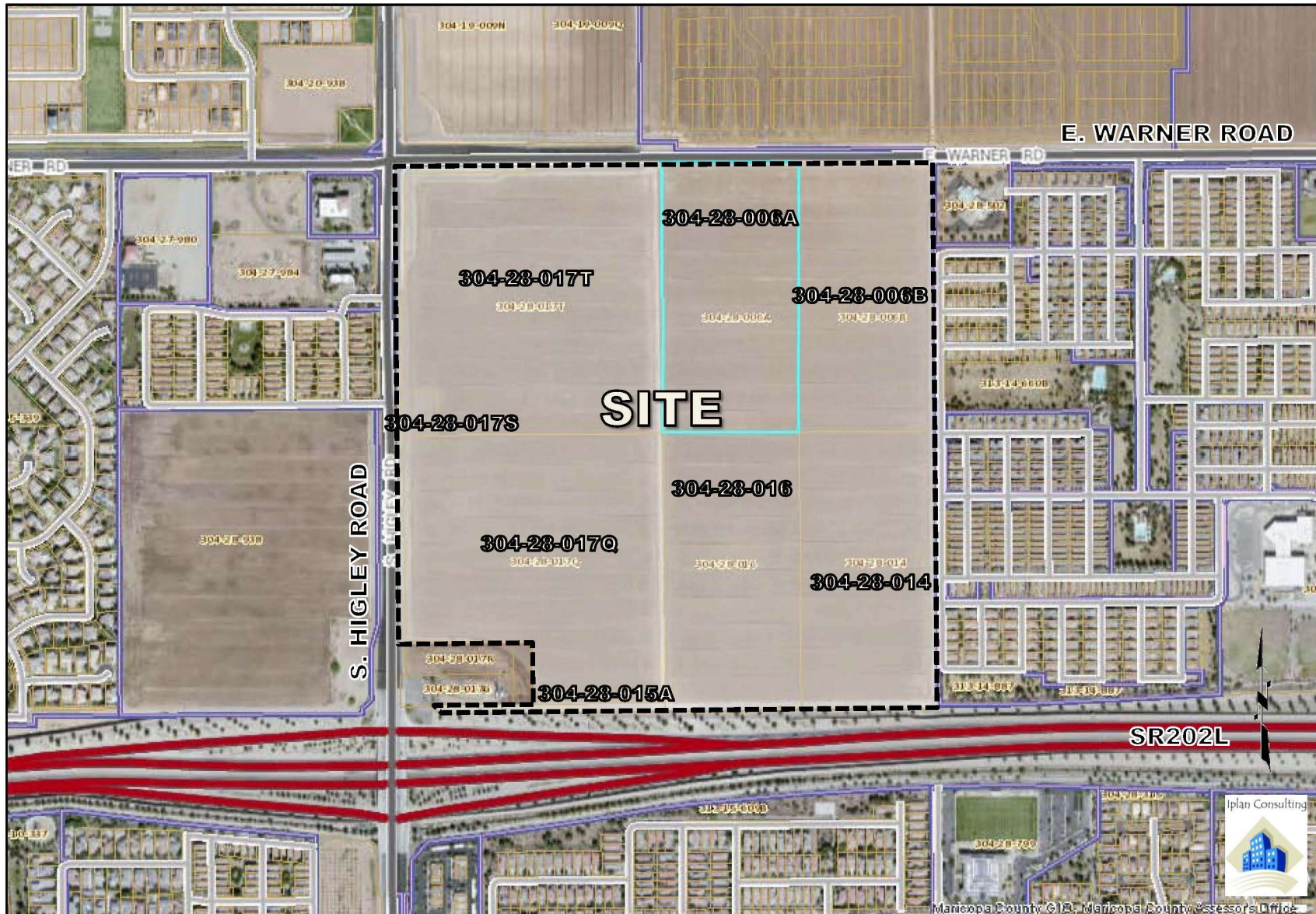
Attachments and Enclosures:

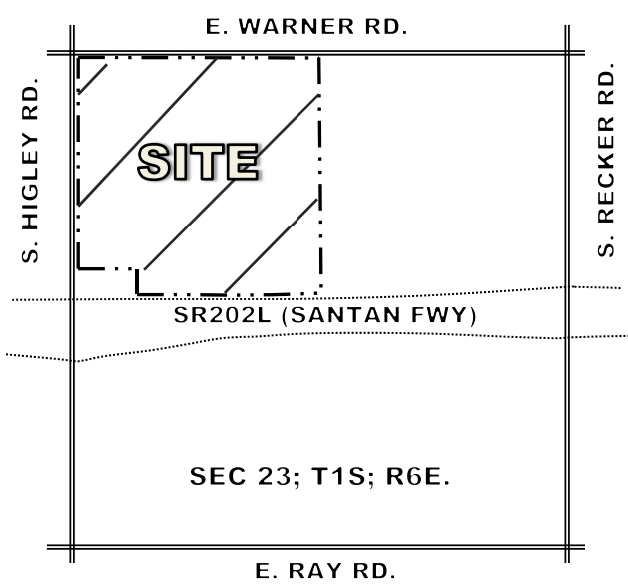
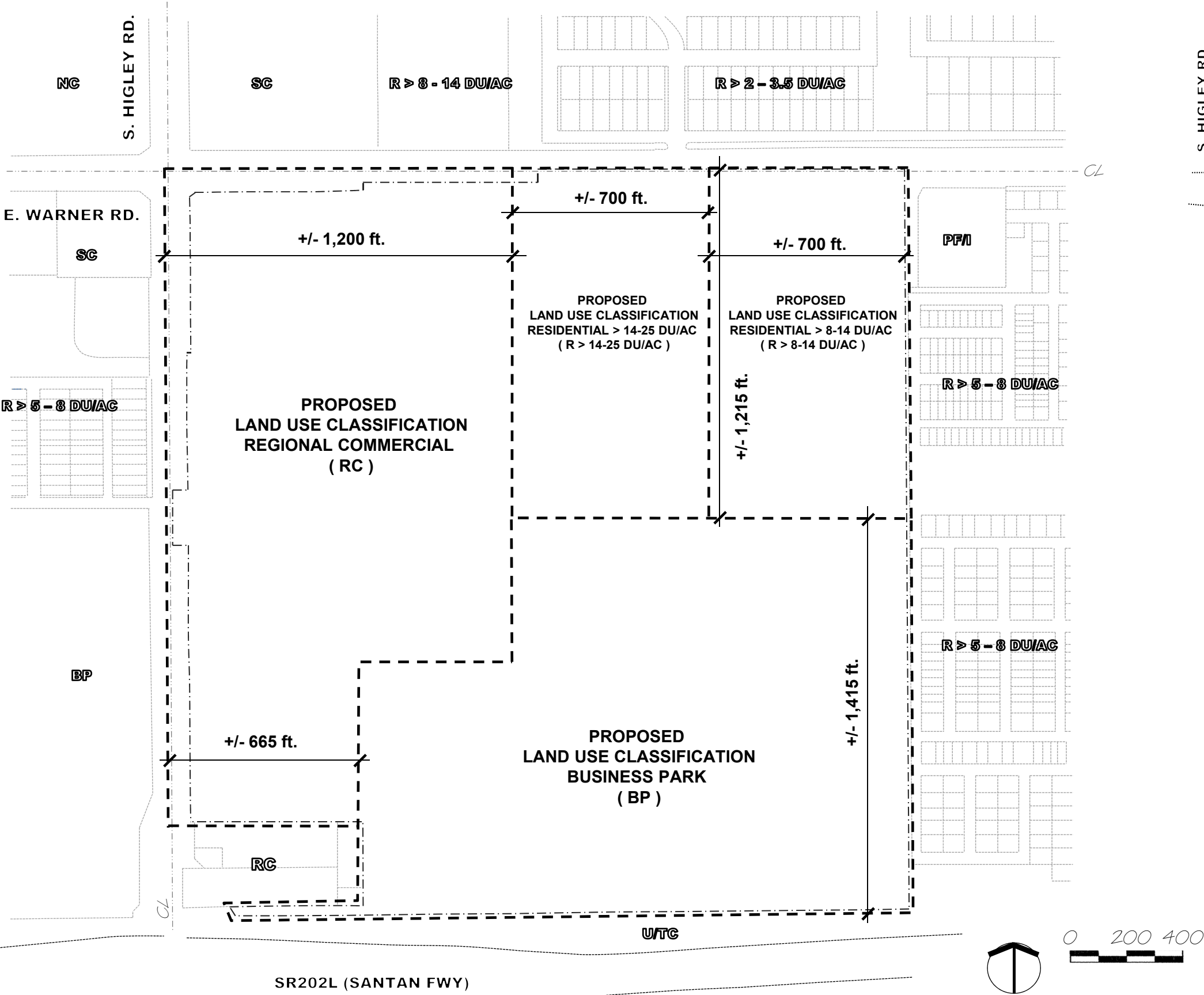
- 1) Vicinity Map
- 2) Aerial Photo
- 3) Land Use Exhibit
- 4) Zoning Exhibit
- 5) Applicant’s Narrative
- 6) Applicant’s Fiscal Impact Report

GP18-08/Z18-18
Gabriella Pointe Commerce Center



GABRIELLA POINTE COMMERCE CENTER AERIAL PARCEL MAP





PROJECT DATA

SITE AREA: +/- 152.9 AC (gr.)

EXISTING GENERAL PLAN (gr.)

RC +/- 39.6 AC

BP +/- 113.3 AC

PROPOSED GENERAL PLAN (gr.)

RC +/- 56.4 AC

BP +/- 57.5 AC

R > 8-14 DU/AC +/- 19.5 AC

R > 14-25 DU/AC +/- 19.5 AC

DEVELOPER CONTACT:

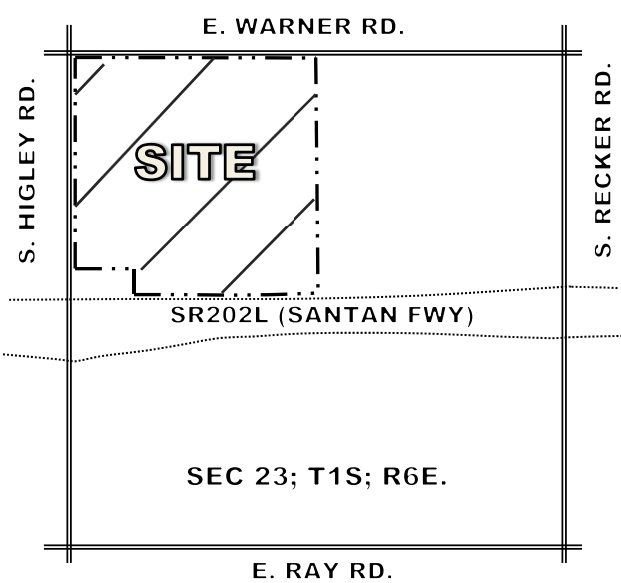
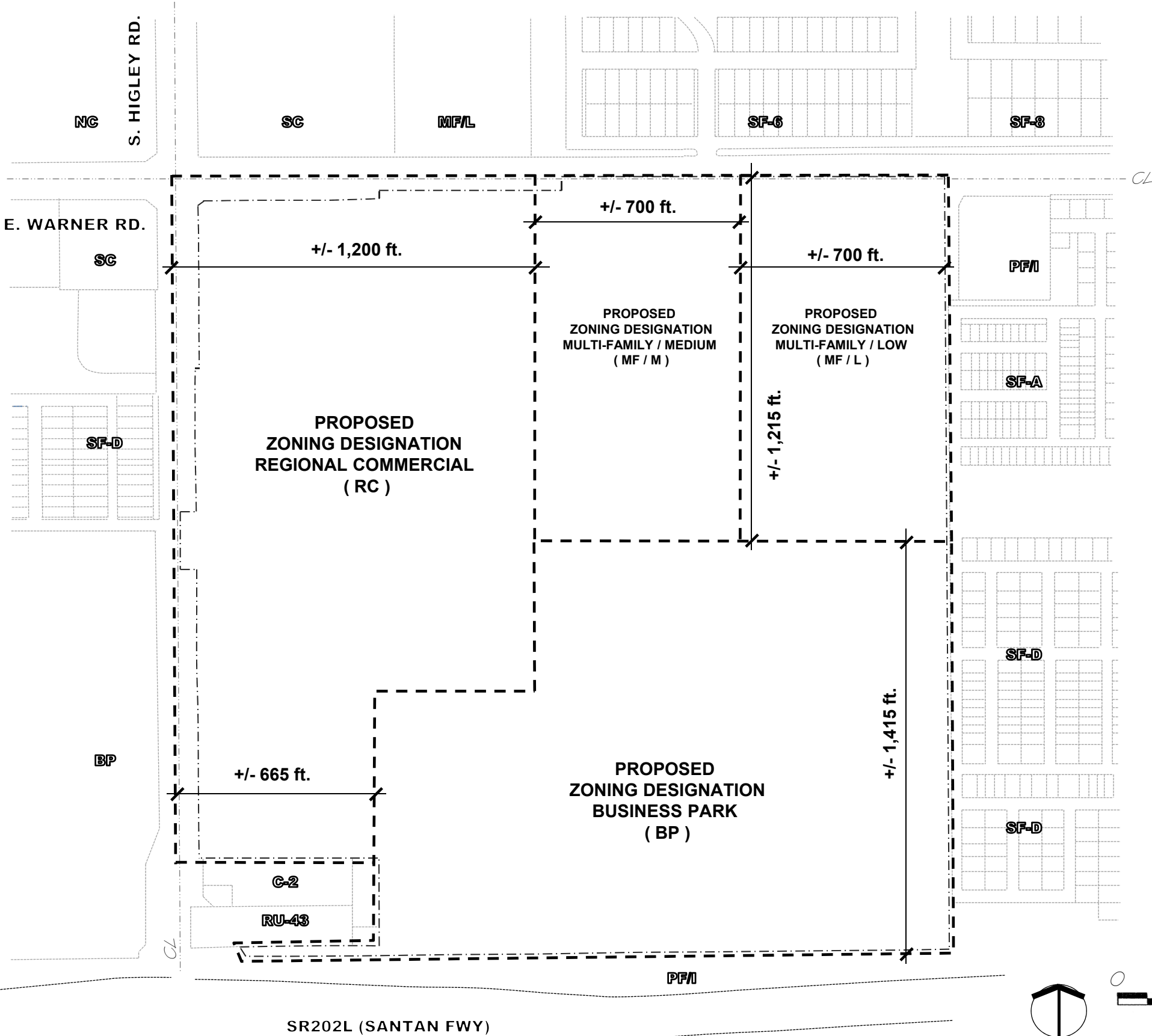
WESTERN HORIZONS, INC.
7255 E. HAMPTON AVE., STE. 122
MESA, AZ 85209
CONTACT: JOHN C. WHITE
V: (480) 854-1500

ENTITLEMENTS:

IPLAN CONSULTING
3317 S. HIGLEY RD., STE. 114-622
GILBERT, AZ 85297
CONTACT: GREG DAVIS
V: (480) 227-9850
CONTACT: MARIO MANGIAMELE, AICP
V: (480) 313-8144

PROPOSED GENERAL PLAN

MAY 30, 2018



VICINITY MAP
N.T.S.

PROJECT DATA

SITE AREA: +/- 152.9 AC (gr.)

PROPOSED GENERAL PLAN (gr.)

RC	+/- 56.4 AC
BP	+/- 57.5 AC
R > 8-14 DU/AC	+/- 19.5 AC
R > 14-25 DU/AC	+/- 19.5 AC

EXISTING ZONING (gr.)

RU-43	+/- 73.9 AC
LI	+/- 39.9 AC
MF/L	+/- 24.9 AC
MF/M	+/- 14.2 AC

PROPOSED ZONING (gr.)

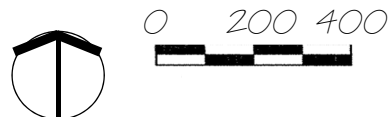
RC	+/- 56.4 AC
BP	+/- 57.5 AC
MF/L	+/- 19.5 AC
MF/M	+/- 19.5 AC

DEVELOPER CONTACT:

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MESA, AZ 85209
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PROPOSED ZONING

MAY 30, 2018



GABRIELLA POINTE COMMERCE CENTER
ZONING EXHIBIT
GILBERT, ARIZONA

Major General Plan Amendment | Rezoning

GABRIELLA POINTE COMMERCE CENTER

Project Narrative

SEC | SOUTH HIGLEY AND EAST WARNER ROADS

Submitted to:
TOWN OF GILBERT
PLANNING DEPARTMENT
90 East Civic Center Drive
Gilbert, AZ 85296

Submitted on Behalf of:
MICHELON FAMILY AZ LAND LLC
3540 Haweswood Ct.
Crete, IL 60417

Prepared by:
IPLAN CONSULTING
3317 S. Higley Road, Suite 114-622
Gilbert, AZ 85297
480-227-9850

Prepared: May 2018

GP18-08/Z18-18 Gabriella Pointe Commerce Center
Attachment 5: Applicant's Narrative
September 5, 2018

LAND USE ADVISORS



IPLAN CONSULTING

Greg Davis

3317 S. Higley Road, Suite 114-622

Gilbert, AZ 85297

V: (480) 227-9850

E: greg@iplanconsulting.com



IPLAN CONSULTING

Mario Mangiamele, AICP

3317 S. Higley Road, Suite 114-622

Gilbert, AZ 85297

V: (480) 313-8144

E: Mario@iplanconsulting.com



UNITED CIVIL GROUP

Keith Winney, PE

2803 N. 7th Avenue

Phoenix, AZ 85007

V: (602) 265-6155

E: kWinney@unitedcivilgroup.com



WESTERN HORIZONS INC.

John C. White, Jr.

7255 E. Hampton Ave, Suite 122

Mesa, AZ 85209

V: (480) 854-1500

E: john@westernhorizonsinc.com



APPLIED ECONOMICS

Sarah Murley

11209 N. Tatum Blvd., Suite 225

Phoenix, Arizona 85028

V: (602) 765-2400

E: smurley@appliedeconomics.net

PREPARED FOR:

MICHELON FAMILY

AZ LAND, LLC

3540 E. Haweswood Ct.

Crete, IL 60417

GABRIELLA POINTE COMMERCE CENTER MAJOR GENERAL PLAN AMENDMENT | REZONING PROJECT NARRATIVE

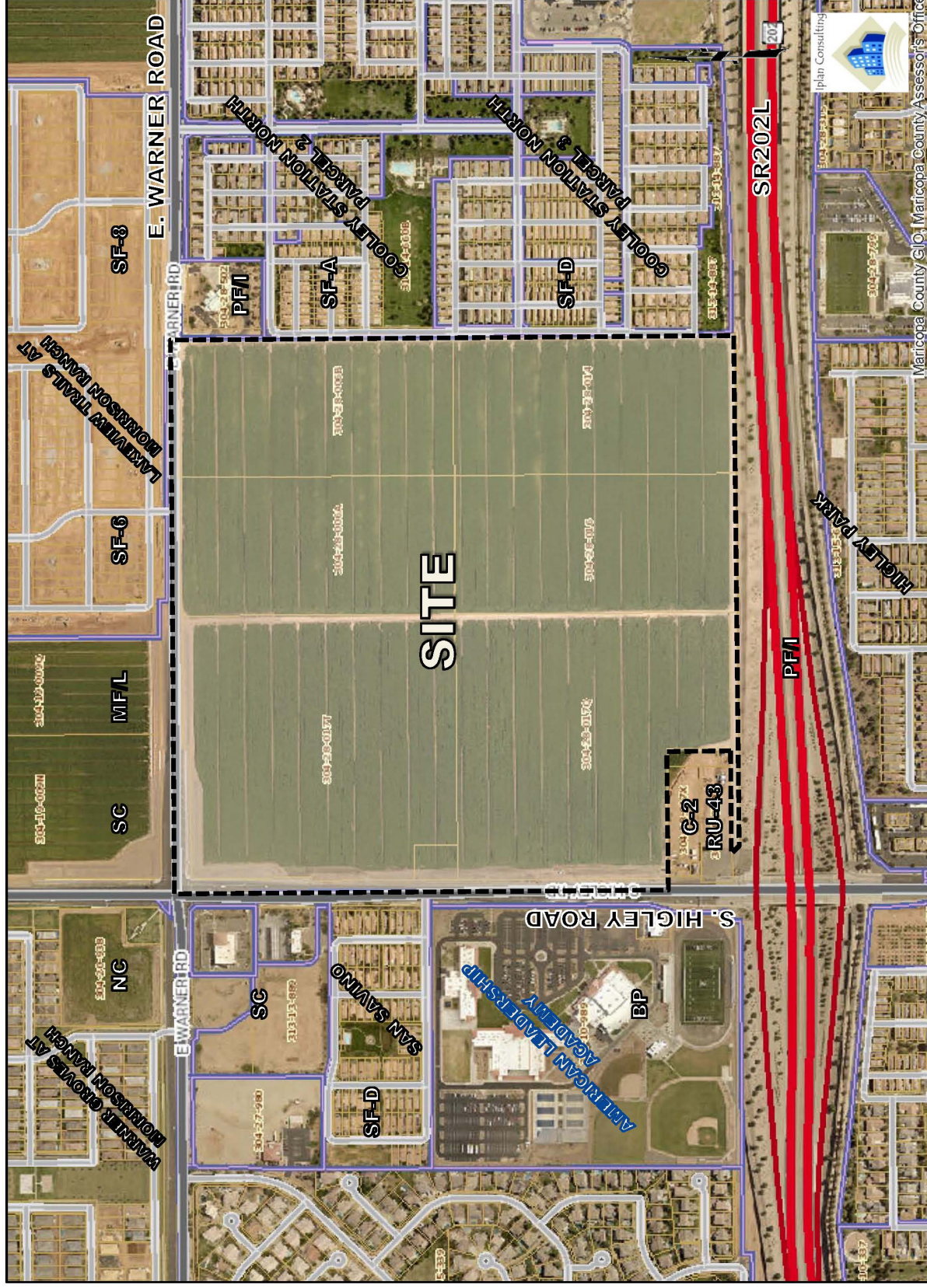
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SITE AERIAL EXHIBIT



Base Map Source: Maricopa County Assessor, 2018

2. REQUEST

Iplan Consulting with Western Horizons, Inc., on behalf of Michelin Family AZ Land, LLC, is pleased to submit for your consideration a two part request: a.) major General Plan amendment to the 2012 Town of Gilbert General Plan Land Use Map for approximately 79.8-acres; and, b.) rezoning of an approximate 152.9-acre property, generally located at the southeast corner of South Higley and East Warner Roads.

More specifically, this project narrative complements a request to amend the General Plan Land Use Map by changing approximately 67.8-acres from Business Park (BP) to approximately 28.8-acres of Regional Commercial (RC), approximately 19.5-acres of Residential > 8 - 14 DU/Acre and approximately 19.5-acres of Residential > 14 - 25 DU/Acre; and, changing approximately 12-acres from RC to BP. The net change results in an approximate 16.8-acre increase of RC land use; an approximate 15.9-acre reduction in BP land use; while the multi-family land use area would remain consistent with existing land use entitlements for the property.

Complementing the requested major General Plan amendment is a request to rezone the entire 152.9-acre (gross) property from Single Family-43 (SF-43), Multi-Family/Low (MF/L), Multi-Family/Medium (MF/M) and Light Industrial (LI) to Regional Commercial (RC), Multi-Family/Low (MF/L), Multi-Family/Medium (MF/M) and Business Park (BP).

A corresponding request for Annexation concerning the westernmost approximate 69.7-acre portion of the project area has been submitted to the Town for review and action.

3. OVERVIEW

Gabriella Pointe Commerce Center is a unique opportunity to establish the preliminary land use framework for one of the few remaining larger and vacant properties within the Town. Michelin Family AZ Land, LLC, has methodically assembled the approximate 152.9-acre property under single ownership with the intent of creating a master plan project to serve as a legacy for the family, while also realizing that responsible land use planning is necessary for the Town's economic vitality and sustainability.

The preliminary land use planning concept for Gabriella Pointe Commerce Center focuses on *four primary elements*: recognition of existing land entitlements, transitional and compatible land uses, mix of complementary uses, and implementation of the Vertical Development (No. 4), Santan Freeway and Phoenix-Mesa Gateway Airport Overlay Zoning Districts.

This land use concept is implemented by systematically transitioning intensity and balancing a complementary spectrum of land uses – employment, commercial and residential to not only provide for a successful project, but to also provide a fully integrated mix of sustainable land uses for the Town of Gilbert and region as a whole. Types and locations of these proposed land uses are anticipated to implement both additional allowable building heights of the Vertical Development Overlay district, as well as height restrictions of the Santan Freeway Overlay district for those areas immediately adjacent to the freeway. Careful consideration is also

afforded to the policies and ordinances of both the Town and Phoenix-Mesa Gateway Airport (PMGA) concerning compatible relationships of land use and designated overflight areas.

Implementation of these elements will be further accomplished through provision of quality open space areas and linkages; comprehensive landscape, architectural and way-finding design elements to provide a memorable place with character; and, appropriate transitioning to protect the existing Cooley Station North residential neighborhood from the anticipated intensity of the proposed higher density residential and Business Park uses.

Subsequent to affirmative action on these land use entitlement requests, we anticipate submittal to the Town of a conceptual master plan, which will establish necessary design framework and expected level of detail to enable viable and successful development of Gabriella Pointe Commerce Center project.

4. EXISTING CONDITIONS | RELATIONSHIP TO SURROUNDING PROPERTIES

An approximate 69.7-acre portion of the overall 152.9-acre Gabriella Pointe Commerce Center project area is currently within an unincorporated area of the Town of Gilbert's Planning Area Boundaries and is under the jurisdiction of Maricopa County. This approximate 69.7-acre unincorporated area is subject to an annexation request that has been submitted concurrently with this major General Plan amendment and Rezoning request for the overall 152.9-acre property. The remaining and approximate 83.2-acre project area (gross) is currently classified as Business Park (BP) on the Town's 2012 General Plan land use map; however, maintains the existing zoning of Light Industrial (LI), Multi-Family/Low (MF/L) and Multi-Family/Medium (MF/M).

This overall project area is bound on the north by East Warner Road and further north by vacant commercial, multi-family and single family zoned parcels that are part of the Morrison Ranch Planned Area Development (PAD). Single family residential uses (Cooley Station North) and Gilbert Fire Station No. 6 are adjacent to the entire eastern boundary.

Santan Freeway (SR202L) lies contiguous a majority of the southern boundary, with an approximate 4-acre multi use property located adjacent to the southwestern corner of the site. While this approximate 4-acre property remains within an unincorporated area of the Town's Planning Area, it does maintain Maricopa County zoning of Rural-43 and C-2 to support the existing wireless communication facilities, outdoor storage and billboard uses.

South Higley Road lies contiguous to the entire western project boundary, while a single family neighborhood (San Savino), American Leadership Academy K-12 and retail uses are situated further west - across Higley Road.

The overall project area is generally level with a gentle slope to the west. The entire site is primarily devoid of any natural features such as rock outcroppings, washes, rivers and indigenous vegetation as the property has been in continual operation for agrarian purposes for a significant number of years.

The General Plan land use classifications, along with the existing zoning and uses for adjacent parcels, are listed below:

TABLE 4.101: EXISTING LAND USE TABLE

DIRECTION	GENERAL PLAN LAND USE CLASSIFICATION	EXISTING ZONING	EXISTING USE
<i>On-Site</i>	Business Park (BP)	Rural-43 (Maricopa County) LI; MF/L; MF/M Vertical Development Overlay 4 Santan Freeway Overlay	Agriculture
	Regional Commercial (RC)	Rural-43 (Maricopa County) Vertical Development Overlay 4 Santan Freeway Overlay	Agriculture
<i>North</i>	Shopping Center (SC)	PAD: SC	Agriculture
	Residential > 8-14 DU/Acre	PAD: MF/L	Agriculture
	Residential > 2 – 3.5 DU/Acre	PAD: SF-6	Agriculture (developing)
<i>East</i>	Public Facility / Institutional (PF/I)	PF/I	Fire Station No 6
	Residential > 5-8 DU/Acre	PAD: SF-A; SF-D	Single Family Residential
<i>South</i>	Utility / Transportation Corridor (U/TC)	PF/I	SR202L
	Regional Commercial (RC)	C-2; RU-43 (Maricopa County)	Outdoor Storage; WCF; Signage
<i>West</i>	Shopping Center (SC)	PAD: SC	Retail
	Residential > 5 - 8 DU/Acre	PAD: SF-D	Single Family Residential
	Business Park (BP)	BP Santan Freeway Overlay	School

5. LAND USE

5.1 GENERAL PLAN LAND USE MAP AMENDMENT

Gilbert’s 2012 General Plan Land Use Map classifies the overall 152.9-acre project area as both Regional Commercial (+/- 39.6-acres) and Business Park (+/- 113.3-acres). The Regional Commercial (RC) classification designates areas for a wide range of high intensity uses with an emphasis on retail commercial uses. Business Park (BP) classification designates areas primarily for ‘office and light industrial uses, including high technology and research and development firms’. The BP land use classification

encourages employee-oriented uses within an attractive campus-style environment. The BP and RC land use classifications support the corresponding zoning designations of BP and RC, respectively.

While multiple ownerships have continually farmed these properties for a significant number of years, a variety of Town of Gilbert General Plan land use classifications have provided long-range visions for the project area. According to Town records, General Plan land use classifications have sporadically shifted from Multi-Use Commercial (pre 2001 General Plan land use classification) to owner initiated Residential > 8 - 14 DU/Acre, Residential > 14 - 25 DU/Acre and LI. The Town further amended the General Plan land use map to modify these land use classifications to the current BP and RC classifications, which changes were ratified by Gilbert voters in 2001. It is largely believed these current General Plan Map land use classifications of RC and BP was staff initiated in effort to support additional business development at this geographic location due to a number of factors, including adjacency of, and access to, the Santan Freeway.

Just as the Town of Gilbert has modified the vision for this property over the years, further visioning is pertinent to ensure compatible and fiscally responsible land use planning is realized. The impetus of the slight reduction in Business Park (BP) land use area, increase in Regional Commercial (RC) land use, and reintroduction of the Residential > 8 - 14 DU/Acre and Residential > 14 - 25 DU/Acre land use classifications for the property is based on: a) recognizing the existing multi-family zoning land use entitlements that provide more diverse housing opportunities for current and future Town residents; b) the necessity to provide more compatible land uses to surrounding properties; c) increasing the mix of land uses to enhance livability of the area, while also maintaining sufficient land area for desirable employment uses; and d) providing fiscally responsible land use planning thus ultimately increasing the Town's long term revenue stream to maintain levels of service expected by the community.

Diligent land use planning is a long-term process that typically contains multiple steps to help ensure a land use is fiscally responsible, as well as a benefit to the community in terms of sustainability and compatibility; however, responsible land use planning should also allow for flexibility in policy. Flexibility in land use planning and policy making decisions is critical to accommodate for the diverse variables that affect all of us, including changes to global, national or regional economics, as well as influences of shifting population growth areas, shifting demographics, natural resources and environmental conditions, advancements in technology, evolution of business operating models, availability of capital resources, modifications to infrastructure, change of government policies and modifications to land use patterns.

The request to amend the 2012 Land Use Map by changing the land use classifications of approximately 70.0-acres from Business Park (BP) to approximately 31.0-acres of Regional Commercial (RC), approximately 19.5-acres of Residential > 8 - 14 DU/Acre and approximately 19.5-acres of Residential > 14 - 25 DU/Acre; and, changing approximately 12-acres from RC to BP, is supported by the following findings:

- Existing Land Use Entitlements:
 - Existing land use entitlements for the overall 152.9-acre property (gross) includes approximately 79-acres that is currently zoned as Multi-Family/Low (MF/L) (+/- 24.9-acres), Multi-Family/Low (MF/M) (+/- 14.2-acres) and Light Industrial (LI) (+/- 39.9-acres); however, these parcels are all classified as BP on the Town's current General Plan Land Use Map.
 - This requested recognition of the multi-family parcels also includes a reallocation of the land areas at 19.5-acres each to provide realistic land areas and shapes that are more conducive to development. This reallocation maintains the overall and approximate 39.0-acres of multi-family uses currently entitled for the project area.
- Neighborhood Compatibility:
 - Proposed location of the multi-family land use classifications maintain compatibility with adjacent land uses while also providing additional housing opportunities to support the anticipated needs of the Town. These multi-family uses will also serve to maintain needed transitional land uses for a portion of the property from the lower intensity uses of Cooley Station North neighborhood to the east, to that of the proposed RC uses to the west.
 - Although the existing LI zoned area includes an existing General Plan land use classification of BP, we concur that neither the LI land use classification nor corresponding LI zoning designation is appropriate for the land area contiguous to Cooley Station North due to the potential for incompatible uses associated with LI properties that could negatively affect this adjacent area. The proposed BP land use is a more appropriate employment land use and more compatible with adjacent residential properties due to the uses permitted in the corresponding BP zoning designation.
- Land Use Mix/Patterns:
 - Reintroduction of the Residential > 8-14 DU/Acre and Residential > 14-25 DU/Acre land use classifications to support the existing MF/L and MF/M zoned properties will acknowledge existing land use entitlements for multi-family use while also: providing a greater mix of residential densities in the Town; serving to provide a cross-section of diverse housing opportunities to accommodate an expanded local and regional employment base within closer proximity to employment centers; and to capture necessary tax revenues for the long term economic vitality of the Town. Economic viability of these residential land uses is also supported by the findings of the Fiscal Impact Analysis submitted concurrently with this request.
 - Providing a master planned, horizontal mixed-use development with employment/office and multi-family residential components will generate the need for amenities such as restaurants, retail shops, support services, and possibly entertainment and hospitality related uses.

- Maintaining location of BP land use at the southeast quadrant of the project area maximizes frontage along SR202L (SanTan Freeway), while maintaining symbiotic relationship with RC parcel for potential mix of similar uses.
- Expansion of the RC land use to extend along the entire Higley Road frontage positions the property to be used to its highest and best use as the closest freeway exits with commercial zoning are 2 miles away - in each direction.
- Although population growth is increasing, the relatively low residential densities of the immediate geographical area could be a fiscal disadvantage to the Town; therefore, desired expansion of the RC and BP land uses will be partially dependent upon the additional population growth and density resulting from maintenance of the multi-family parcels.
- Circulation:
 - The proposed amendment will not have an adverse impact on the Town's existing land uses, as development of the site will facilitate internal collector level and adjacent arterial level roadway dedications and improvements resulting in improved vehicular circulation needed for the area. As identified in the corresponding Traffic Impact Statement, Higley and Warner Roads are the primary, adjacent streets serving Gabriella Pointe Commerce Center.
 - The proposed land use amendment will ultimately assist in alleviating vehicular traffic congestion nearby and in other parts of the Town and region by facilitating private improvements to adjacent roadways, which will enable more efficient transportation corridors for use by all residents of the community and surrounding areas.
 - The planned arterial and collector level street system will adequately accommodate the projected traffic volumes.
- Livability:
 - Proposed residential use of the property will not adversely affect the livability of the area or affect the health or safety of the residents. Conversely, provision of residential development in this area, including its associated trails and open space areas, will provide the means to help promote healthy lifestyles for the residents of the development, as well as maintain a healthy sustainable community. Provision of the Residential > 8-14 DU/Acre and Residential > 14-25 DU/Acre land uses within close proximity to anticipated commercial and employment areas will also serve to substantially increase the livability of the area for Gilbert residents by possibly reducing automobile emissions due to the potential for shorter travel distances. Livability of the area will further be increased through, at a minimum, development of the project in compliance with the Town's livability test of aesthetics and low light impact guidelines.

The below table identifies an approximate 55.8-acre (gross) reduction in employment land use for the overall project area; however and taking into consideration existing land use

rights (+/- 39.9-acres - I-1 zoning), the actual net reduction change in employment land use is approximately 15.9-acres (gross), whereas the net increase change in RC land use is approximately 16.8-acres. Regardless, the following table identifies existing General Plan Land Use classifications in comparison to those proposed by this request:

TABLE 5.101: GENERAL PLAN LAND USE DATA TABLE

EXISTING GENERAL PLAN LAND USE CATEGORY	ACREAGE (gross)	PROPOSED GENERAL PLAN LAND USE CATEGORY	ACREAGE (gross)
Regional Commercial (RC)	39.6	Business Park (BP)	12
		RC	27.6
Total	39.6		39.6
Business Park (BP)	113.3	BP	45.5
		RC	28.8
		Res. > 8-14 DU/Ac.	19.5
		Res. > 14-25 DU/Ac.	19.5
Total	113.3		113.3
Overall Project Acreage	152.9		152.9

Michelon Family AZ Land, LLC, along with their land use advisors, have been diligently analyzing the property location in effort to determine the most compatible and sustainable land use for the Town and region as a whole. Although different uses and residential densities have been analyzed to responsibly plan this property for the long term, we believe that the most compatible and sustainable uses for this property are the proposed mix of employment, commercial and higher density residential. These findings are effectively based on: a) the need to provide an appropriate land use to meet the community's needs with significant consideration given to compatibility within this geographical area; b) prevailing land use patterns of the area and the corresponding need to ensure compatibility; c) the need for additional population growth to fiscally support existing and anticipated Town services and infrastructure; and, d) the necessity to supplement the population growth in effort to attract desired employment related uses in the Town.

5.2 FISCAL ANALYSIS OF GENERAL PLAN LAND USE CHANGE

The estimated fiscal impact from development of the 152.9-acre Gabriella Pointe Commerce Center under the proposed General Plan amendment, at build out, is estimated

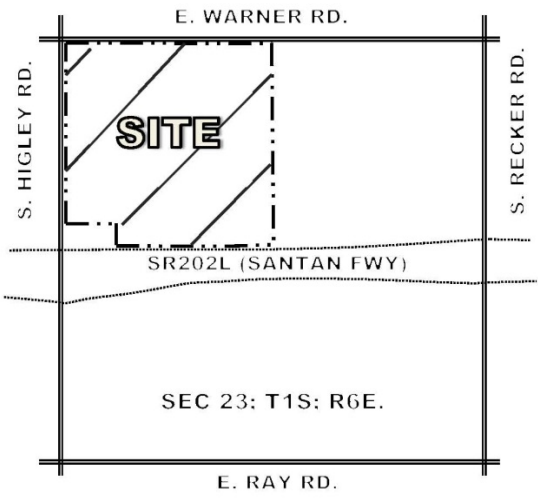
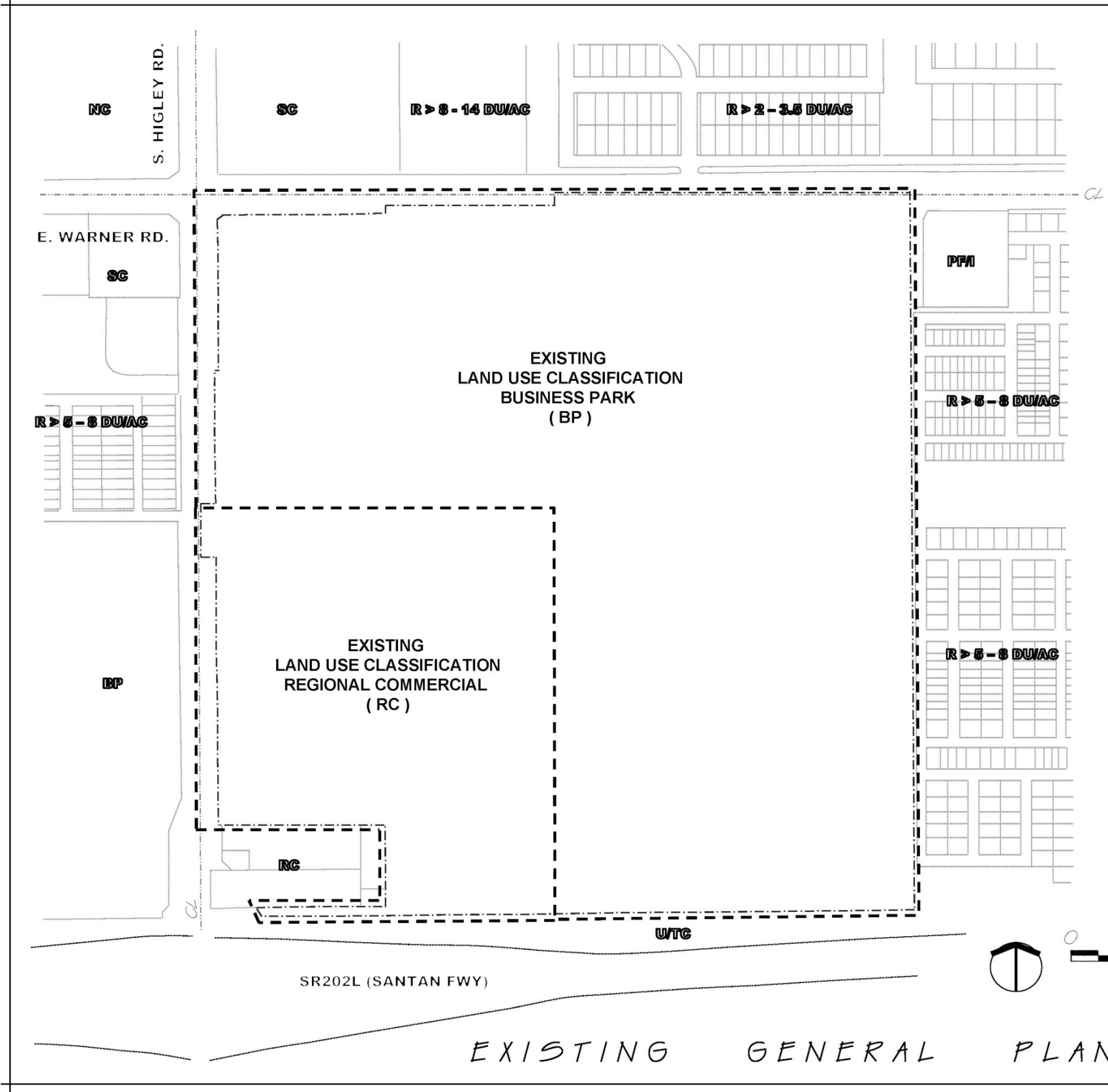
at \$2.7-million in revenue, while fiscal expenditures are estimated at approximately \$1.3-million per year. This \$1.4-million net impact is significantly higher than under the current General Plan scenario. If the property were to maintain the current classifications and corresponding areas of RC and BP, the annual net impact at build out is estimated at \$629,000.

Although higher density residential uses generally do not generate positive fiscal impacts on their own, they do however generate demand for local retail and provide diverse housing opportunities. Increasing the number of dwelling units does result in greater overall retail demand and correspondingly more tax revenues for the Town.

These fiscal impacts have the most direct affect on the Town, as these anticipated revenues ensure financial health of Gilbert through capture of continual sales tax, lease tax, and property tax.

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TOWN OF GILBERT - GENERAL PLAN LAND USE MAP EXHIBIT | EXISTING



PROJECT DATA

SITE AREA: +/- 152.9 AC (gr.)

EXISTING GENERAL PLAN (gr.)

RC +/- 39.6 AC

BP +/- 113.3 AC

PROPOSED GENERAL PLAN (gr.)

RC +/- 56.4 AC

BP +/- 57.5 AC

R > 8-14 DU/AC +/- 19.5 AC

R > 14-25 DU/AC +/- 19.5 AC

DEVELOPER CONTACT:

WESTERN HORIZONS, INC.
7255 E. HAMPTON AVE., STE. 122
MESA, AZ 85209
CONTACT: JOHN C. WHITE
V: (480) 854-1500

ENTITLEMENTS:

IPLAN CONSULTING
3317 S. HIGLEY RD., STE. 114-622
GILBERT, AZ 85297
CONTACT: GREG DAVIS
V: (480) 227-9850
CONTACT: MARIO MANGIAMELE, AICP
V: (480) 313-8144

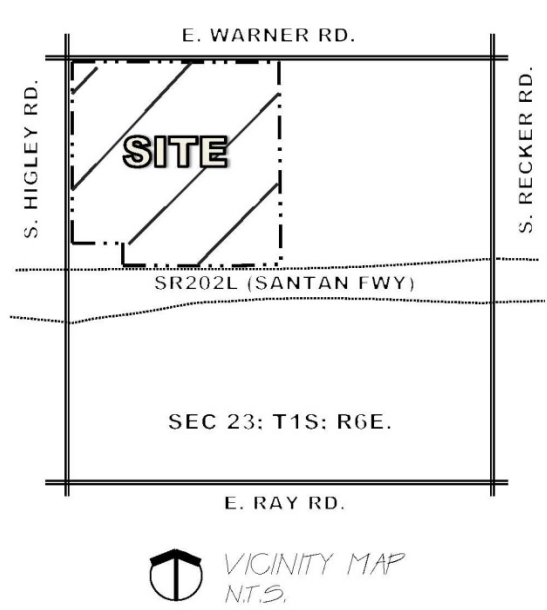
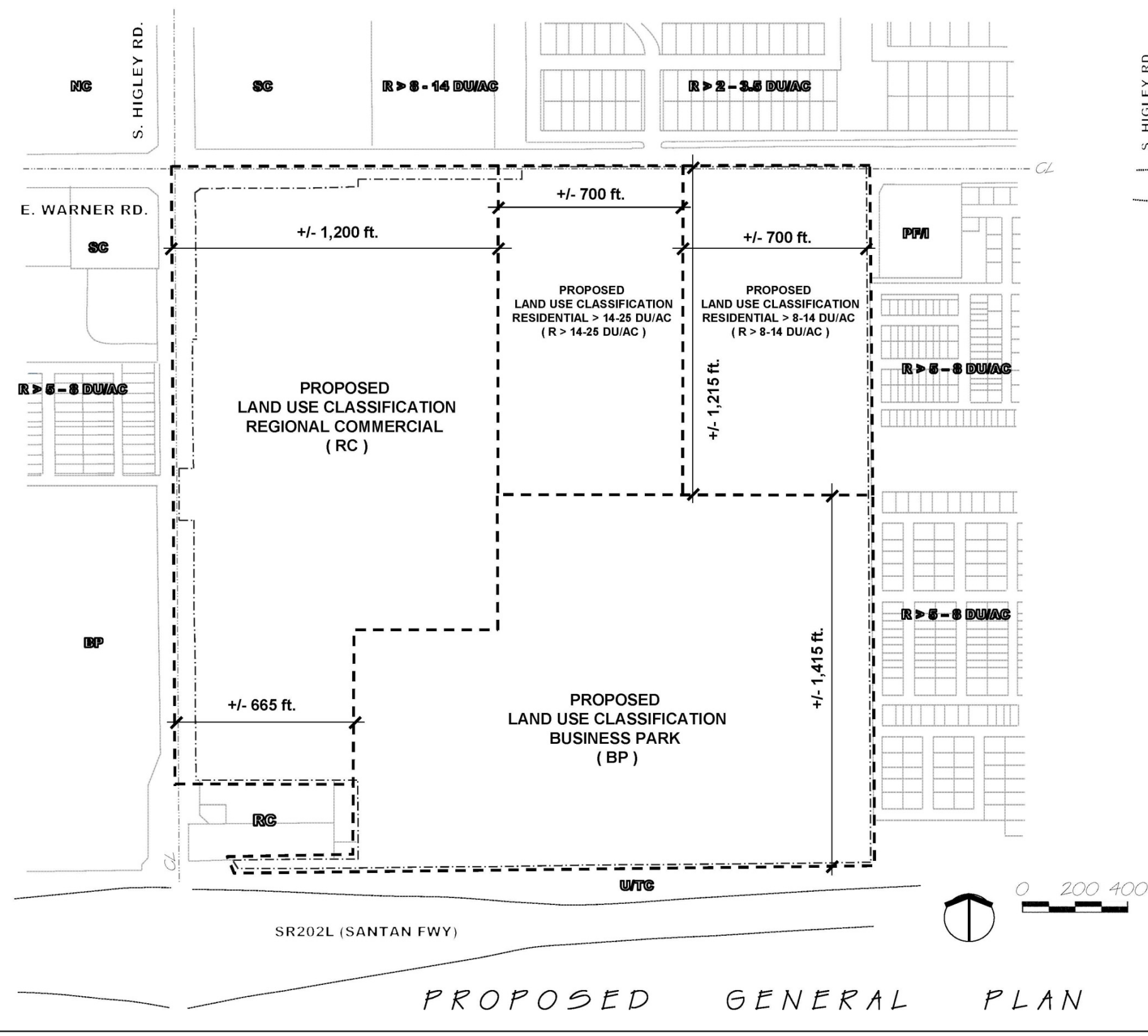
GABRIELLA POINTE COMMERCE CENTER
GENERAL PLAN AMENDMENT EXHIBIT
GILBERT, ARIZONA

Iplan Consulting



MAY 30, 2018

TOWN OF GILBERT - GENERAL PLAN LAND USE MAP EXHIBIT | PROPOSED



PROJECT DATA

SITE AREA: +/- 152.9 AC (gr.)

EXISTING GENERAL PLAN (gr.)

RC +/- 39.6 AC
BP +/- 113.3 AC

PROPOSED GENERAL PLAN (gr.)

RC +/- 56.4 AC
BP +/- 57.5 AC
R > 8-14 DU/AC +/- 19.5 AC
R > 14-25 DU/AC +/- 19.5 AC

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7255 E. HAMPTON AVE., STE. 122
MESA, AZ 85209
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IPLAN CONSULTING
3317 S. HIGLEY RD., STE. 114-622
GILBERT, AZ 85297
CONTACT: GREG DAVIS
V: (480) 227-9850
CONTACT: MARIO MANGIAMELE, AICP
V: (480) 313-8144

GABRIELLA POINTE COMMERCE CENTER
GENERAL PLAN AMENDMENT EXHIBIT
GILBERT, ARIZONA

Iplan Consulting



MAY 30, 2018

5.3 ZONING

The Town of Gilbert General Plan serves as a policy guide for orderly growth, land use, circulation, community design, infrastructure, economic development and open space, while also serving as a basis for directing expenditure of municipal funds. Implementation of the General Plan is based on fostering of the overall vision, specific goals, objectives and policies ratified by the community. Zoning of real property is the legal tool frequently used to implement the General Plan vision. While Planned Area Development (PAD) overlay zoning is generally typical for a project of this magnitude and diversity, conventional zoning is requested at this time to bring the approximate 152.9 gross acre property into conformance with the corresponding General Plan amendment request. Subsequent to affirmative action on both these land use entitlement requests, a PAD zoning request may be submitted to the Town to establish the next level of detail and necessary design framework to enable viable and successful implementation of the Gabriella Pointe Commerce Center vision.

Integral to the major General Plan amendment and rezoning requests is a corresponding territory annexation into the Town of Gilbert's jurisdictional boundaries. Arizona Revised Statutes (ARS) § 9-471L sets forth provisions requiring that the "city or town annexing an area shall adopt zoning classifications that permit densities and uses no greater than those permitted by the county immediately before annexation" and as such, it is anticipated the Town may rezone the approximate 73.9-acre annexation portion of the property from Rural-43 (Maricopa County) to Town of Gilbert Single Family-43 (SF-43) concurrent with, or immediately subsequent to, the companion annexation request.

Given the Town's required SF-43 rezoning of the annexation territory will not be consistent with the proposed General Plan land use classification of Regional Commercial (RC) and Business Park (BP), part of this rezoning seeks to provide conformance with the General Plan amendment by requesting the appropriate RC and BP zoning designations. Conformance to provisions of the RC and BP districts and Land Development Code as a whole, will maintain compatible land use relationships with the surrounding area, as well as ensure desired character of the area is maintained.

The second and final element of the rezoning request is to recognize existing land use rights for the remaining and approximate 79-acres, which encompasses the eastern one-half of the project area. Council Ordinance No. 1188 (Z99-21) established I-1 (ULDC: Garden Industry zoning for the approximate 79-acres; however, Council modified this zoning in 2003 (Ordinance No. 1502; Z03-05) by changing an approximate 39-acre portion of the I-1 to approximately 25-acres of R-CH (ULDC: Single Family Cluster Home Zoning) and approximately 14-acres of R-4 (ULDC: Multi-Family Residence) zoning designations (2005 zoning map update re-designated these properties to relatively equivalent LI, MF/L and MF/M districts). This requested recognition of the multi-family parcels also includes a reallocation of the land areas at 19.5-acres each to provide realistic land areas and shapes that are more conducive to development. This multi-family area reallocation maintains the overall and approximate 39.0-acres of multi-family uses currently entitled for the project area; however, we believe the existing LI zoning designation should be changed to BP for consistency with existing General Plan land use classification as BP is a more appropriate designation for the land area contiguous to Cooley Station North due to the potential for

incompatible uses associated with LI properties that could negatively affect this adjacent single family neighborhood.

Geographic location of a portion of the property further benefits from additional building height allowances of Vertical Development Overlay District No. 4. As set forth in Section 3.503: Land Use and Development Regulations (Article 3.5: Vertical Development Overlay Zoning District) of the Land Development Code, building heights for the proposed RC and BP zoning districts are permitted additional heights of 75-feet/5-stories and 60-feet/4-stories, respectively. Conversely, the Santan Freeway Overlay District, which generally runs parallel to the Santan Freeway and extends into the property for a distance of approximately 300-feet, sets forth building height limitations and noise attenuation standards for noise sensitive uses. Further, the property is located within Overflight Area 3 of the Phoenix-Mesa Gateway Airport, which Overflight Area sets forth public disclosure provisions to future owners and occupants of possible noise impacts on noise sensitive uses. Provisions of these three overlay districts are in addition to the provisions set forth for the requested zoning designations.

As established through Town policies and ordinances, the BP and RC land use classifications support the corresponding zoning designations of BP and RC, respectively. The Residential > 8 - 14 DU/Acre land use classification generally supports the SF-D, SF-A and MF/L zoning designations, whereas the Residential > 14 - 25 DU/Acre land use classification typically supports the MF/M zoning designation. The following table identifies existing zoning for the approximate 152.9-acre property, along with proposed zoning designations to ensure conformance with the corresponding General Plan Land Use Map amendment:

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TABLE 5.301: ZONING – QUANTITATIVE DATA TABLE

EXISTING ZONING	ACREAGE (gross)	PERCENTAGE OF GROSS AREA
Rural-43 (Maricopa County)	73.9	48.30
Multi-Family/Low (MF/L)	24.9	16.30
Multi-Family/Medium (MF/M)	14.2	9.30
Light Industrial (LI)	39.9	26.10
Total	152.9	100%
PROPOSED ZONING	ACREAGE (gross)	PERCENTAGE OF GROSS AREA
Regional Commercial (RC)	56.4	36.90
Multi-Family/Low (MF/L)	19.5	12.75
Multi-Family/Medium (MF/M)	19.5	12.75
Business Park (BP)	57.5	37.60
Total	152.9	100%

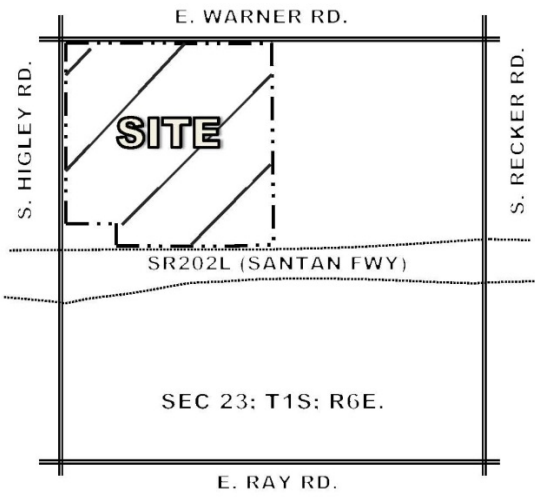
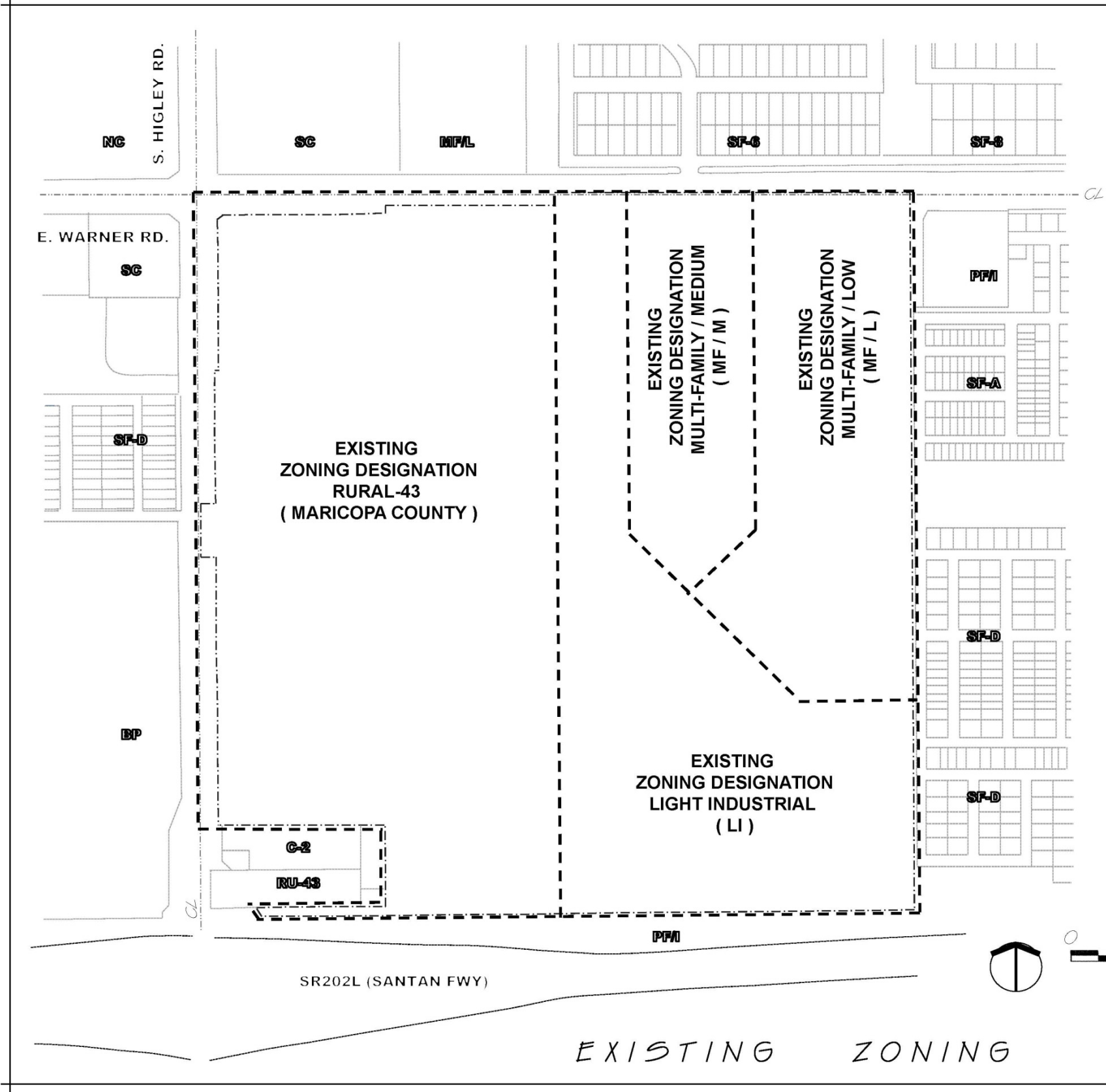
5.4 CONSISTENCY WITH GENERAL PLAN

Additionally, the proposed General Plan Land Use Map amendment and corresponding rezoning contains several notable features that respond to the 2012 General Plan vision:

- Promote Gilbert as a community in which to live, work and play by:
 - Maintaining a balance of housing types and providing a variety of employment opportunities with easily accessible retail and service uses (*Land Use and Growth Areas: Goal 1.0; Policy 1.1*).
 - Encouraging residential development that allows for a diversity of housing types for all age groups and is accessible to a range of income levels through maintenance of the multi-family zoned parcels (*Land Use and Growth Areas: Goal 1.0; Policy 1.3*).
 - Designating and protecting sites for employment uses in appropriate locations to increase the Town’s employment base through maintenance of approximately 57.5-acres BP classified land use (*Land Use and Growth Areas: Goal 1.0; Policy 1.5*).

- Provide a diversity of quality housing types for a variety of lifestyles by:
 - Providing an adequate supply of appropriately zoned land to accommodate a variety of future housing needs through maintenance of the multi-family zoned parcels (*Land Use and Growth Areas: Goal 4.0; Policy 4.1*).
 - Including high density housing near large employment centers and/or transportation corridors (*Land Use and Growth Areas: Goal 4.0; Policy 4.4*).
- Promote commercial, retail, and employment land uses that are compatible with adjacent land uses and meet economic goals by:
 - Locating business park uses near freeway intersections to reduce truck traffic in residential neighborhoods (*Land Use and Growth Areas: Goal 5.0; Policy 5.2*).
 - Preserving acreage for industrial employment uses where appropriate buffers between uses can be retained or created (*Land Use and Growth Areas: Goal 5.0; Policy 5.4*).
- Promote quality design for new development by:
 - Including residential/non-residential land use transitions that minimize negative impacts of commercial and industrial uses on adjacent residential uses (*Community Design: Goal 1.0; Policy 1.3*).
- Identify and attenuate noise sources and protect noise sensitive uses from high noise sources by:
 - Including noise attenuation of noise sensitive uses, as required in the Santan Freeway Overlay District (*Environmental Planning: Goal 7.0; Policy 7.3*).
- Power, Higley, Warner, Ray and Pecos Road Design Policies:
 - Designing for ultimate roadway pavement widths of six (6) travel lanes for both Higley and Warner Roads to adequately and safely carry traffic demand (*Gateway Character Area Design Policies*).
 - Incorporating key elements of the Gateway Area Right-of-Way Improvement Standards and Streetscape Design Guidelines for Higley and Warner Roads to provide for the designed agricultural vernacular (*Gateway Character Area Design Policies*).
- Santan Freeway/Higley Road Interchange Area Land Use Policies:
 - Providing framework for a future, integrated campus-style office use through maintenance of the BP land use classification (*Gateway Character Area Design Policies*).

GABRIELLA POINTE COMMERCE CENTER - ZONING MAP EXHIBIT | EXISTING



PROJECT DATA

SITE AREA: +/- 152.9 AC (gr.)

PROPOSED GENERAL PLAN (gr.)

RC	+/- 56.4 AC
BP	+/- 57.5 AC
R > 8-14 DU/AC	+/- 19.5 AC
R > 14-25 DU/AC	+/- 19.5 AC

EXISTING ZONING (gr.)

RU-43	+/- 73.9 AC
LI	+/- 39.9 AC
MF/L	+/- 24.9 AC
MF/M	+/- 14.2 AC

PROPOSED ZONING (gr.)

RC	+/- 56.4 AC
BP	+/- 57.5 AC
MF/L	+/- 19.5 AC
MF/M	+/- 19.5 AC

DEVELOPER CONTACT:

WESTERN HORIZONS, INC.
7255 E. HAMPTON AVE., STE. 122
MESA, AZ 85209
CONTACT: JOHN C. WHITE
V: (480) 854-1500

ENTITLEMENTS:

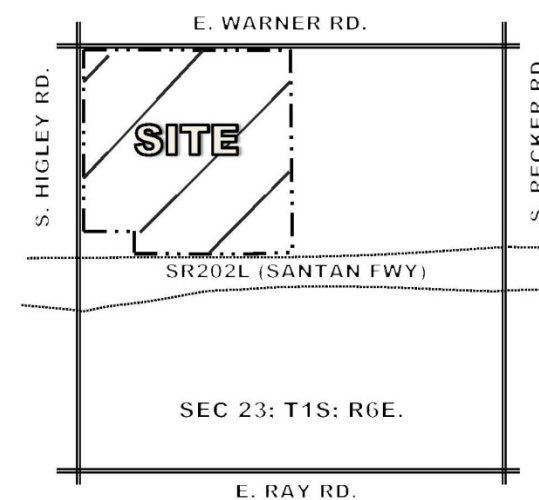
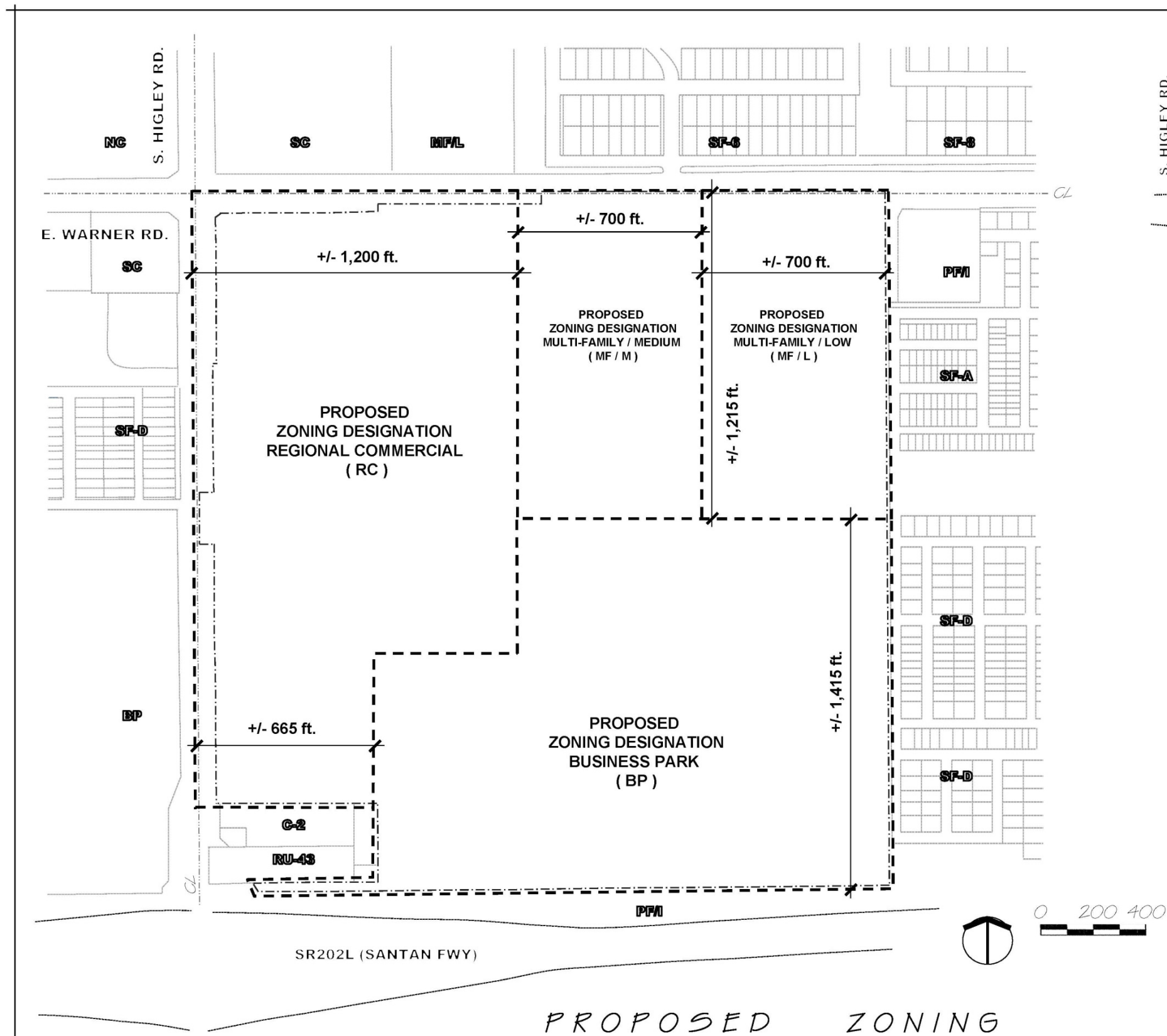
IPLAN CONSULTING
3317 S. HIGLEY RD., STE. 114-622
GILBERT, AZ 85297
CONTACT: GREG DAVIS
V: (480) 227-9850
CONTACT: MARIO MANGIAMELE, AICP
V: (480) 313-8144



GABRIELLA POINTE COMMERCE CENTER
ZONING EXHIBIT
GILBERT, ARIZONA

MAY 30, 2018

GABRIELLA POINTE COMMERCE CENTER - ZONING MAP EXHIBIT | PROPOSED



PROJECT DATA

SITE AREA: +/- 152.9 AC (gr.)

PROPOSED GENERAL PLAN (gr.)

RC **+/- 56.4 AC**

BP **+/- 57.5 AC**

R > 8-14 DU/AC +/- 19.5 AC

R > 14-25 DU/AC +/- 19.5 AC

EXISTING ZONING (gr.)

RU-43 **+/- 73.9 AC**

LI +/- 39.9 AC

MF/L **+/- 24.9 AC**

MF/M **+/- 14.2 AC**

PROPOSED ZONING (gr.)

RC **+/- 56.4 AC**

BP **+/- 57.5 AC**

MF/L **+/- 19.5 AC**

MF/M **+/- 19.5 AC**

DEVELOPER CONTACT:

WESTERN HORIZONS, INC.

7255 E. HAMPTON AVE., STE. 122

MESA, AZ 85209

CONTACT: JOHN C. WHITE
V: (480) 851-1500

V: (480) 854-1500

ENTITLEMENTS:

IPLAN CONSULTING

3317 S. HIGLEY RD., STE. 114-622

GILBERT, AZ 85297

CONTACT: GREG DAVIS
Mo: (480) 227-0850

V: (480) 227-9850
CONTACT: MARIO

CONTACT: MARIO MANGIAMELE, AICP
Y: (480) 343-8444

V: (480) 313-8144

MAY 30, 2018



GABRIELLA POINTE COMMERCE CENTER
ZONING EXHIBIT
GILBERT, ARIZONA

The proposed General Plan amendment to the Town of Gilbert Land Use Map and corresponding rezoning is consistent with the vision and fosters the overall intent, goals and policies of the General Plan as it: promotes Gilbert as a community in which to live, work and play; provides a greater balance of land uses in appropriate locations to assist in diversifying and creating a more sustainable economy for the Town and resultant increase in tax base; provides compatible land use relationships with the surrounding area; provides opportunities for attainable housing for certain sectors of the market; and, will not be detrimental to public health, safety, and general welfare of persons living or working in the surrounding area or to the general welfare of the Town as a whole.

6. PUBLIC UTILITIES AND SERVICES

Utilities and services will be provided as follows:

- Water: Town of Gilbert.
- Sewer: Town of Gilbert.
- Electric: Salt River Project.
- Telecommunications: Cox Communications; CenturyLink.
- Police: Town of Gilbert.
- Fire: Town of Gilbert.
- Refuse: Town of Gilbert; private contract hauler.
- School: Higley Unified School District.

6.1 WATER

Potable water is to be provided by the Town of Gilbert. Preliminary discussions with the Town indicate that existing water lines near the project boundaries can be extended with the development to adequately serve the project.

The proposed water system improvements will be designed and developed in accordance with Town of Gilbert and Maricopa County Environmental Services Department requirements.

6.2 WASTEWATER

The project will install necessary utility improvements to adequately connect to existing infrastructure improvements. The development team and ownership for Gabriella Pointe Commerce Center is committed to working with the Town to determine the overall system needs to provide sewer service for the proposed project area.

6.3 SCHOOLS

Efforts will be coordinated with the Higley Unified School District to ensure that adequate public educational facilities are provided for.

7. PUBLIC PARTICIPATION

Two separate neighborhood meetings were conducted on November 27, 2017 and April 25, 2018 concerning these major General Plan amendment and corresponding rezoning requests. In addition to the posting of two - 12 square foot Notice of Neighborhood Meeting signs on the property, adjacent property owners within at least 300-feet and owner's association representatives within at least 1,000-feet of the property were notified, via first class mail, for both meetings. Meeting summaries for both meetings have been submitted concurrently with the major General Plan amendment and rezoning requests and are on file with the Town. This citizen participation effort adheres to provisions required by the Town of Gilbert and any provisions set forth in Arizona Revised Statutes.

The land use advisor team for Gabriella Point Commerce Center is committed to continuing public outreach throughout the entitlement process for the project.

8. CONCLUSION

Gabriella Pointe Commerce Center is intended to become a featured master plan development of the Town and offers the unique opportunity to infuse viable, balanced and complimentary land uses, while also establishing the necessary framework to facilitate additional infrastructure improvements for the area. This major General Plan amendment and rezoning requests recognizes the existing underlying entitlements, ensures compatibility with surrounding land use patterns and built form, while also continuing to foster the overall vision, goals and policies of the Gilbert General Plan and provisions of the Land Development Code.

We greatly look forward to working with the Town of Gilbert to realize this effort.



APPLIED ECONOMICS

**FISCAL IMPACTS OF THE
PROPOSED GENERAL PLAN AMENDMENT FOR
GABRIELLA POINTE COMMERCE CENTER**

PREPARED FOR:

**MR. JOHN MICHELON
3540 E. HAWESWOOD COURT
CRETE, IL 60417**

MAY 2018

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EXECUTIVE SUMMARY

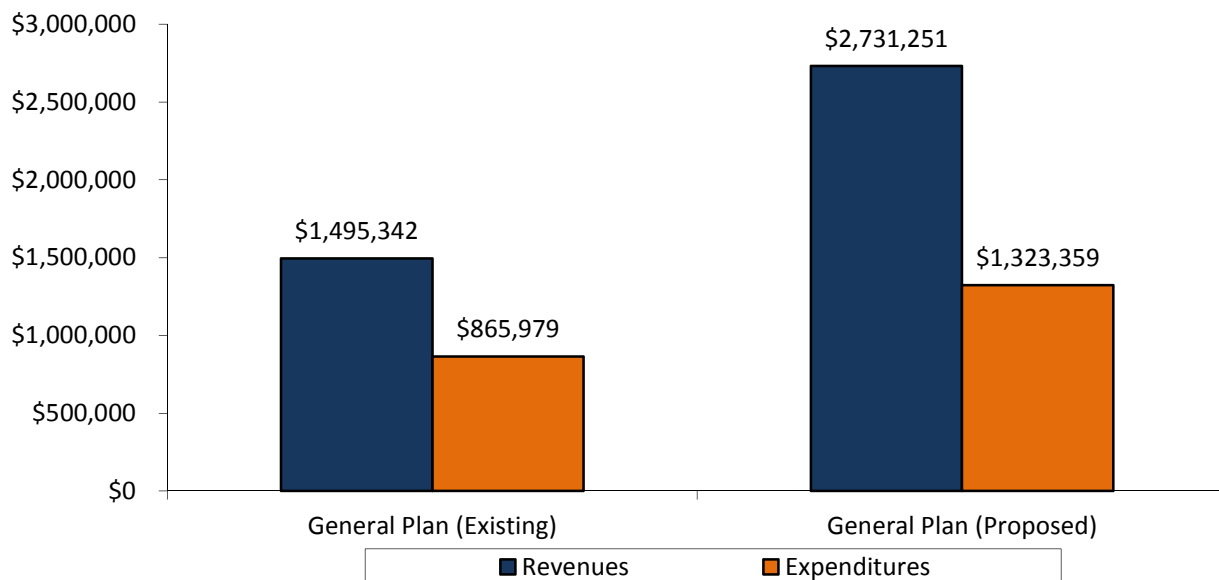
This analysis demonstrates the potential socioeconomic and fiscal impacts of a General Plan Amendment for the Gabriella Pointe Commerce Center in the Town of Gilbert, Arizona. The site includes 151.3 acres located at the southeast corner of Warner Road and Higley Road, on the north side of the Loop 202.

- The existing general plan land use includes 112.5 acres of business park (BP) and 38.8 acres of regional commercial (RC) uses.
- The proposed land uses include 19.5 acres of multi-family medium (MF/M), 19.5 acres of multi-family low (MF/L), 55.1 acres of business park (BP) and 57.2 acres of regional commercial (RC).

The existing zoning on this property is not consistent with the existing general plan land use and includes 69.7 acres of (County) Rural-43 zoning, 52.8 acres of LI (light industrial) zoning and 38.8 acres devoted to both single and multi-family residential zoning. The existing multi-family zoning combined with the proposed regional commercial and business park zoning that is requested by the applicant would be consistent with the proposed general plan land use.

The proposed General Plan Amendment retains much of the employment-generating and sales tax-generating commercial and business park uses, but also incorporates multi-family development, which is vested in the existing zoning. The result is a higher net fiscal impact under the proposed general plan land use. If the property remained regional commercial and business park, the annual net impact at build out is estimated at \$629,000. Under the proposed general plan amendment, the estimated annual net impact at build out is significantly higher at \$1.4 million. The multi-family development would likely occur on this property within the next several years. This would provide workforce housing and consumer demand to support the business park and commercial development.

FIGURE 1
ESTIMATED FISCAL IMPACT ON TOWN OF GILBERT AT BUILD OUT
PROPOSED AND EXISTING GENERAL PLAN LAND USE



1.0 INTRODUCTION

This analysis demonstrates the potential socioeconomic and fiscal impacts of the proposed General Plan Amendment for Gabriella Pointe Commerce Center in the Town of Gilbert, Arizona. The property includes 151.3 acres at the southeast corner of Warner and Higley Roads, just north of the Loop 202. The proposed General Plan Amendment would change the land use designation for the property from Business Park (BP) and Regional Commercial (RC) to a mix of Business Park (BP), Regional Commercial (RC), Multi-Family/Low Density (MF/L) and Multi-Family/Medium Density (MF/M). The proposed land use change would have the effect of reducing the amount of business park acreage, adding multi-family, and increasing and re-positioning the regional commercial uses.

The information and observations contained in this report are based on our present knowledge of the components of development, and of the current physical, socioeconomic and fiscal conditions of the affected areas. Projections made in this report are based on hypothetical assumptions and current public finance policies. However, even if the assumptions outlined in this report were to occur, there will usually be differences between the projections and the actual results because events and circumstances frequently do not occur as expected. This analysis is based on the best available information and is intended to aid the property owner, Mr. John Michelin, in making decisions relative to the proposed development. All dollar estimates should be interpreted as order of magnitude estimates only. In no way will Applied Economics LLC be held responsible or have any liability or be subject to damages as a result of this analysis. This report may be used only for the purposes that it was intended.

1.1 General Approach

This analysis is designed to assess the operation and maintenance impacts of the proposed Gabriella Pointe Commerce Center General Plan Amendment on the Town of Gilbert. The impact assessment includes revenues and expenditures associated with the proposed development at build out. It does not include construction costs for new infrastructure, but does include relevant maintenance costs to the Town for additional streets.

The basic approach for the analysis is to determine the level and character of development (measured in housing units, population, non-residential square footage, employment, street miles, etc.), and then to model the revenues and expenditures likely to be associated with that development. The fiscal impacts are based on the current operating revenue and expenditure characteristics of the Town of Gilbert. Gilbert's current and historical budgets were reviewed to identify revenue and expenditure line items that would be impacted by the proposed development. Once identified, each line item was analyzed to identify a socioeconomic factor that could be used to predict a corresponding impact for these developments.

1.2 Report Organization

The balance of this report is divided into two sections. Section 2.0 details the methodology and assumptions used in calculating the development impacts, and the fiscal assumptions used to develop the impact model. Section 3.0 presents the results of the fiscal impact calculations for the Gabriella Pointe Commerce Center. Detailed tables on the fiscal impact assumptions and results are included in the appendices following Section 3.

2.0 METHODOLOGY

This chapter describes the methodology and assumptions used in developing the fiscal impact model and the absorption projections.

2.1 Development Characteristics

In order to analyze the fiscal impacts of development, it was necessary to estimate the socioeconomic impacts associated with these land uses. The socioeconomic impacts of development can be described in terms of housing units, population, employment and square footage. The following sections briefly describe the approach used to estimate each of the major characteristics of the new development.

Housing units and population. The Gabriella Pointe Commerce Center proposal includes 390 multi-family medium units based on a density of 20 units per gross acre, and 215 multi-family low units based on a density of 11 units per gross acre (Figure 2). The model also assumes 2.3 to 2.5 persons per unit, based on the market orientation of the multi-family development, with an occupancy rate of 92 percent. The average monthly lease rate for these units could range from \$1,550 to \$1,850, based on information provided by the developer.

**FIGURE 2
DEVELOPMENT ASSUMPTIONS**

Land Use	Acres	Units per Acre	Occupancy	Population per Unit/ Sq Ft per Employee	Annual Lease Rate	Percent Leased	Taxable Sales per SF
Proposed General Plan							
Multi-Family Medium	19.5	20.00	92%	2.30	\$18,600	100%	na
Multi-Family Low	19.5	11.03	92%	2.50	\$22,200	100%	na
				Sq Ft per Emp			
Regional Commercial	57.2	0.20	92%	350	\$20.00	80%	\$275
Business Park	55.1	0.25	90%	500	\$23.80	25%	\$0
Current General Plan							
		FAR		Sq Ft per Emp			
Regional Commercial	38.8	0.20	92%	350	\$20.00	80%	\$275
Business Park	112.5	0.25	90%	500	\$23.80	25%	\$0

Source: Applied Economics; Lease Rates - NAI Horizon; Construction Cost, Square feet and Units - Western Horizons, 2018.

Non-residential square footage and employment. Under both the existing and proposed general plan land uses, the property is planned for regional commercial and business park uses. For the purpose of this model, a floor area ratio of 0.20 is assumed for regional commercial and 0.25 for business park, resulting in 1.1 million total square feet at build out under the existing land use and 1.5 million square feet under the proposed land use (Figure 3). The model assumes 90 to 92 percent occupancy, and 350 to 500 square feet of building space per employee translating into about 3,100 jobs at build out under the existing land use and 2,390 jobs under the proposed land use.

**FIGURE 3
SOCIOECONOMIC IMPACTS**

	Proposed	Current
Housing Units	605	0
Population	1,320	0
Total Noresidential Square Feet	1,100,000	1,563,151
Employment	2,390	3,094
Taxable Sales and Leases (millions)	\$143.35	\$94.11
City Maintained Road Miles	4.50	3.75

Sources: Applied Economics, 2018.

2.2 Retail Sales Assumptions

Both the existing and proposed land uses would include regional commercial space that would generate a significant amount of taxable sales. In addition, there would be sales taxes on the leases for both the business park and the multi-family units. In terms of leased space versus owner-occupied space, it was assumed that 25 percent of the business park and 80 percent of the regional commercial space would also be leased. The analysis uses the same assumptions for both the existing and proposed land use plan. Based on an estimated lease rate of \$20 to \$24 per square foot in current dollars, the property could generate about \$94.1 million in annual taxable sales at build out under the existing General Plan land use, compared to \$143.4 million under the proposed land use (including taxable multi-family rents). These estimates assume taxable sales of \$275 per square foot for the regional commercial, and that 80 percent of the space would be occupied by tax-generating uses. There would be additional non-recurring sales tax revenues in both scenarios from construction activity that are not included in the annual build-out impacts shown here.

2.3 Fiscal Assumptions

The fiscal model used to assess the impacts of the Gabriella Pointe Commerce Center was based on the current and historical budget information for the Town of Gilbert. Revenue and expenditure line items were identified from the Gilbert budget that captured the operation and maintenance aspects of the Town. The past several years of budget information for Gilbert were analyzed to determine patterns and trends in revenues and expenditures for the General Fund and Streets Fund.

In terms of the approach for modeling revenues and expenditures in the model, many are driven by population, or by “service population”, which includes both population and employment. This is because many of the services provided by the Town, as well as the various types of revenues that the Town depends on are proportional to the number of people living and working there. In some cases, population is weighted more heavily if services are provided primarily, but not exclusively, to residents.

Major line items that are not driven by population or employment include sales taxes, which are a function of taxable sales and leases, planning and engineering fees that are a function of annual construction value and interest which is a function of general fund revenues. On the expenditure side, police and fire expenditure are a function of the number of calls by type of land use and the average cost per call based on data provided by these departments. Street maintenance and traffic control are based on trip generation rates by type of land use and the cost per trip from the 2014 system development fee study. Right of way expenditures are a function of the number of road miles. Development services expenditures are based partially on annual construction value and partially on service population. Parks and open space maintenance expenditures are based on the number of park acres. Human resources, technology services and facilities management expenditures are based on the number of Town FTE employees.

Every effort has been made to account for revenues and expenditures relating to on-going operations and maintenance activities consistently. Results are based on the current socioeconomic structure of the Town, and current budget conditions, but interface accordingly and by proportionate measure due to population and employment increases. The results of the model are order-of-magnitude estimates, and are intended as a general guide as to how different types of development would impact the Town.

3.0 IMPACT RESULTS

This chapter describes the comparative impacts results for the existing General Plan land use (ignoring the existing underlying zoning) versus the proposed amendment relative to the Town of Gilbert's operating revenues and expenditures.

3.1 Impact Results for Proposed Alternative

The proposed land use alternative, which includes a total of 605 multi-family units, 500,000 square feet of regional commercial and 600,000 square feet of business park development would generate a positive annual net impact of about \$1.4 million per year at build out based on the assumptions used in this analysis (Figure 4). Primary revenues include sales tax (\$2.1 million) and state shared revenues (\$309,000). State shared revenues are distributed on the basis of population. Sales taxes are based on taxable sales from the regional commercial, lease revenues from the business park and commercial space and aggregate rents paid by multi-family residents. During the construction period, there would be non-recurring construction sales tax that is not included here. The proportion of sales-tax generating uses is particularly important with regard to the magnitude of the impact since the Town of Gilbert does not have a primary property tax.

On the expenditure side, public safety and street maintenance/traffic control expenditures at \$648,000 and \$170,000 per year, respectively, would be the predominant line items on an on-going basis. Public safety is typically the largest expenditure category for municipalities. In this case, call volumes and costs are specific to current patterns by land use in Gilbert. Streets expenditures are driven by the estimated 4.5 lane miles of additional streets that would be added when the property is developed.

3.2 Impact Results for Existing General Plan Designation

The existing general plan land use is a mix of business park (1.2 million square feet) and regional commercial (338,000 square feet). This land use would generate a positive annual impact of about \$629,000 per year at build out based on the assumptions used in this analysis, which is significantly less than the proposed land use. The primary revenues from this mix of non-residential uses would be from sales taxes generated by the regional commercial space. On the expenditure side, public safety and street maintenance/traffic control would be the predominant expenditures on an on-going basis for the commercial and business park uses. The existing general plan land use assumes 3.75 lane miles of additional streets.

FIGURE 4
ANNUAL NET FISCAL IMPACTS TO THE GENERAL FUND AND STREETS FUND
TOWN OF GILBERT

Revenues/Expenditures	Proposed GP	Existing GP
REVENUES	\$2,731,251	\$1,495,342
Taxes and Fees		
Privilege License Tax	\$2,150,244	\$1,411,650
Bed Tax	\$0	\$0
Gas & Electric Franchise	\$12,176	\$10,154
Cable Franchise Fees	\$22,449	\$18,721
Intergovernmental		
State Income Tax	\$175,608	\$0
State Sales Tax	\$133,389	\$0
Auto Lieu Tax	\$48,143	\$0
Highway Users Revenue	\$78,530	\$0
Federal and State Operating Grants	\$3,121	\$0
County and School District IGA	\$0	\$0
Licenses and Permits		
Building Permits	\$6,956	\$5,801
Engineering Permit	\$3,719	\$3,101
Sign Permits	\$2,696	\$3,490
Alarm Permits	\$4,426	\$5,730
Fire Permit Fees	\$0	\$0
Business License	\$3,662	\$4,741
Charges for Services		
Plan Check Fees	\$2,057	\$1,715
Design Review Fees	\$0	\$0
Zoning Fees	\$888	\$741
Engineering Plan Checking Off-Site	\$1,233	\$1,028
Subdivision Plat Fees	\$0	\$0
Other Planning and Engineering Fees	\$398	\$332
Copies and Publications	\$317	\$0
Administrative Fees	\$351	\$216
Police and Fire Report Fees	\$1,221	\$751
Rental Income	\$5,487	\$0
Recreation Fees	\$15,544	\$0
Fines and Forfeitures		
Fines and Other Court Revenues	\$36,261	\$17,667
Other Revenues		
Misc. Revenue	\$1,629	\$254
Investment Income	\$20,747	\$9,251

FIGURE 4 (continued)
ANNUAL NET FISCAL IMPACTS TO THE GENERAL FUND AND STREETS FUND
TOWN OF GILBERT

Revenues/Expenditures	Proposed GP	Existing GP
EXPENDITURES	\$1,207,664	\$788,243
Management & Policy		
Mayor & Council, Boards & Commissions	\$4,363	\$0
Manager	\$11,653	\$7,167
Management and Budget	\$12,075	\$6,611
Intergovernmental	\$1,680	\$0
Town Clerk	\$7,010	\$4,312
Communication	\$8,113	\$4,990
General Counsel	\$11,427	\$7,028
Information Technology	\$86,750	\$53,358
Human Resources	\$21,499	\$13,224
Economic Development	\$0	\$0
Management Services		
Finance	\$36,054	\$19,739
Legal and Court		
Prosecutor	\$11,459	\$0
Municipal Court	\$27,899	\$13,593
Parks and Recreation		
Parks and Recreation Admin	\$3,347	\$0
Parks and Open Space	\$0	\$0
Aquatics	\$6,138	\$0
Recreation Centers and Programs	\$47,174	\$0
Neighborhood Services	\$704	\$0
Facilities Maintenance	\$30,415	\$18,708
Development Services		
Administration, Permits & Licensing	\$6,441	\$4,720
Permit and Plan Review, Inspection	\$0	\$0
Planning Services	\$0	\$0
Public Safety		
Police and Support Services	\$416,829	\$287,424
Fire	\$231,425	\$150,076
Public Works		
Public Works/Streets Admin	\$3,315	\$3,116
Street Maintenance	\$95,587	\$90,415
Traffic Control	\$74,227	\$70,211
Right of Way Maintenance	\$7,021	\$5,851
Hazard Response	\$2,685	\$2,239
Engineering Services	\$3,104	\$1,909
Non-Departmental		
Outside Agencies	\$3,186	\$0
Other Nondepartmental	\$36,083	\$23,551
Transfers Out	\$115,695	\$77,736
ANNUAL NET IMPACT	\$1,407,892	\$629,364
as percent of revenue	51.5%	42.1%

Source: Applied Economics, 2018.

3.3 Summary

The proposed General Plan Amendment for the 151.3 acre Gabriella Pointe Commerce Center to recognize the existing multi-family zoning and retain the business park and regional commercial uses would generate a significantly greater positive fiscal impact on the Town on an annual basis than the existing General Plan land use (\$629,000 versus \$1.4 million). In addition to the fiscal impacts, the placement of the multi-family development creates a more market-driven mix of uses and provides a better transition between existing and planned single family uses to the east and north of this property.

It is important for Gilbert to balance the land uses in its general plan in order to maintain long term fiscal sustainability. This includes retaining key sites along the Loop 202 for employment-generating and sales tax-generating uses. However, the recognition of the underlying multi-family zoning on a small portion of this site creates near-term development potential, as well as providing workforce housing and generating demand for local retail.